



CORUS ENTERTAINMENT ANNOUNCES FISCAL 2018 SECOND QUARTER RESULTS

- Consolidated revenues flat for the quarter and decreased 1% for the year-to-date
- Consolidated segment profit⁽¹⁾ increased 10% for the quarter and decreased 1% for the year-to-date
- Consolidated segment profit margin⁽¹⁾ of 31% for the quarter and 35% for the year-to-date
- Net income attributable to shareholders of \$40.0 million (\$0.19 per share basic) for the quarter and \$117.7 million (\$0.57 per share basic) for the year-to-date
- Adjusted basic earnings per share⁽²⁾ of \$0.20 per share for the quarter and \$0.58 for the year-to-date
- Free cash flow⁽¹⁾ of \$165.3 million for the year-to-date, up from \$129.9 million last year

TORONTO, April 5, 2018 – Corus Entertainment Inc. (TSX: CJR.B) announced its second quarter financial results today.

“This quarter has yielded positive growth in consolidated segment profit and a slight increase in consolidated revenues, with revenue gains in our Radio and Content divisions, and the continued realization of benefits from our new cost structure. Television advertising revenue was lower than the prior year, partly due to the Winter Olympics in the period, though the decline was not as significant as what we reported in the first quarter”, said Doug Murphy, President and Chief Executive Officer. “We are pleased with this quarter’s results and the steady progress we are making against our strategic plan. Moving forward, Corus remains focused on maximizing and monetizing our high-value audiences, and we have a solid roadmap in place to position the organization for success over time within a changing media landscape.”

Financial Highlights

	Three months ended		Six months ended	
	February 28,		February 28,	
(in thousands of Canadian dollars except per share amounts)	2018	2017	2018	2017
Revenues				
Television	336,222	335,896	751,686	761,460
Radio	33,243	32,291	75,167	74,708
	369,465	368,187	826,853	836,168
Segment profit⁽¹⁾				
Television	103,646	101,399	272,248	285,820
Radio	6,883	6,341	20,404	19,627
Corporate	2,230	(5,057)	(2,006)	(10,778)
	112,759	102,683	290,646	294,669
Net income attributable to shareholders	40,042	24,881	117,715	96,027
Adjusted net income attributable to shareholders ⁽¹⁾⁽²⁾	41,880	25,577	120,765	106,403
Basic earnings per share	\$0.19	\$0.12	\$0.57	\$0.48
Adjusted basic earnings per share ⁽¹⁾⁽²⁾	\$0.20	\$0.13	\$0.58	\$0.53
Diluted earnings per share	\$0.19	\$0.12	\$0.57	\$0.48
Free cash flow⁽¹⁾	82,073	96,022	165,288	129,931

⁽¹⁾ Segment profit, segment profit margin, adjusted net income attributable to shareholders, adjusted basic earnings per share, and free cash flow do not have standardized meanings prescribed by IFRS. The Company believes these non-IFRS measures are frequently used as key measures to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the Second Quarter 2018 Report to Shareholders.

⁽²⁾ Refer to page 11 of this press release for details of adjustments to arrive at adjusted net income attributable to shareholders and adjusted basic earnings per share.

Consolidated Results from Operations

Consolidated revenues for the three months ended February 28, 2018 were \$369.5 million, up slightly from \$368.2 million last year and consolidated segment profit was \$112.8 million, an increase of 10% from \$102.7 million last year. Net income attributable to shareholders for the quarter ended February 28, 2018 was \$40.0 million (\$0.19 per share basic and diluted), compared to \$24.9 million (\$0.12 per share basic and diluted) last year. Net income attributable to shareholders for the second quarter of fiscal 2018 includes business acquisition, integration and restructuring costs of \$2.5 million (\$0.01 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$41.9 million (\$0.20 per share basic) in the quarter. Net income attributable to shareholders for the prior year quarter includes business acquisition, integration and restructuring costs of \$0.9 million (\$0.01 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$25.6 million (\$0.13 per share basic) for the prior year quarter.

Consolidated revenues for the six months ended February 28, 2018 were \$826.9 million, down 1% from \$836.2 million last year. Consolidated segment profit was \$290.6 million, down 1% from \$294.7 million last year. Net income attributable to shareholders for the six months ended February 28, 2018 was \$117.7 million (\$0.57 per share), compared to \$96.0 million (\$0.48 per share) last year. Net income attributable to shareholders for the six months ended February 28, 2018 includes business acquisition, integration and restructuring costs of \$4.1 million (\$0.01 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$120.8 million (\$0.58 per share basic) for the current fiscal year-to-date. Net income attributable to shareholders for the six months ended February 28, 2017 includes business acquisition, integration and restructuring costs of \$14.1 million (\$0.05 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$106.4 million (\$0.53 per share basic) for the prior fiscal year-to-date.

Operational Results - Highlights

Television

- Segment revenues were relatively flat in Q2 2018 and decreased 1% for the year-to-date
- Advertising revenues decreased 3% in Q2 2018 and 3% for the year-to-date
- Subscriber revenues increased 1% in Q2 2018 and were flat for the year-to-date
- Merchandising, distribution and other revenues increased 28% in Q2 2018 and increased 17% for the year-to-date
- Segment profit⁽¹⁾ increased 2% in Q2 2018 and decreased 5% for the year-to-date
- Segment profit margin⁽¹⁾ of 31% in Q2 2018 and 36% for the year-to-date, compared to 30% and 38%, respectively, in the prior year comparable periods
- Shutdown of Sundance Channel on February 28, 2018

Radio

- Segment revenues increased 3% in Q2 2018 and 1% for the year-to-date
- Segment profit⁽¹⁾ increased 9% in Q2 2018 and 4% for the year-to-date
- Segment profit margin⁽¹⁾ of 21% in Q2 2018 and 27% for the year-to-date, compared to 20% and 26%, respectively, in the prior year comparable periods

Corporate

- Free cash flow⁽¹⁾ of \$165.3 million for the year-to-date, up from \$129.9 million in the prior year-to-date
- Net debt to segment profit⁽¹⁾ leverage at 3.4 times
- Consolidated segment profit margin in Q2 2018 of 31% and 35% for the year-to-date, compared to 28% and 35%, respectively in the prior comparable periods

⁽¹⁾ Segment profit, segment profit margin, and free cash flow do not have standardized meanings prescribed by IFRS. The Company reports on these because they are key measures used to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the 2018 Report to Shareholders.

Corus Entertainment Inc. reports its financial results in Canadian dollars.

The unaudited consolidated financial statements and accompanying notes for the three and six months ended February 28, 2018 and Management's Discussion and Analysis are available on the Company's website at www.corusent.com in the Investor Relations section.

A conference call with Corus senior management is scheduled for April 5, 2018 at 8:00 a.m. ET. While this call is directed at analysts and investors, members of the media are welcome to listen in. The dial-in number for the conference call for local and international callers is 1.647.427.7450 and for North America is 1.888.231.8191. More information can be found on the Corus Entertainment website at www.corusent.com in the Investor Relations section.

Use of Non-IFRS Financial Measures

This press release includes the non-IFRS financial measures of adjusted net income, adjusted basic earnings per share and free cash flow that are not in accordance with, nor an alternate to, generally accepted accounting principles ("IFRS") and may be different from non-IFRS measures used by other companies. In addition, these non-IFRS measures are not based on any comprehensive set of accounting rules or principles.

Non-IFRS financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS. They are limited in value because they exclude charges that have a material effect on the Company's reported results and, therefore, should not be relied upon as the sole financial measures to evaluate the Company's financial results. The non-IFRS financial measures are meant to supplement, and to be viewed in conjunction with, IFRS financial results. A reconciliation of the Company's non-IFRS measures is included in the Company's most recent Report to Shareholders which is available on Corus' website at www.corusent.com as well as on SEDAR.

Caution Concerning Forward-Looking Information

This press release contains forward-looking information and should be read subject to the following cautionary language:

To the extent any statements made in this report contain information that is not historical, these statements are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking information"). These forward-looking statements relate to, among other things, our objectives, goals, strategies, intentions, plans, estimates and outlook, including advertising, distribution, merchandise and subscription revenues, operating costs and tariffs, taxes and fees, and can generally be identified by the use of the words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances may be considered forward-looking information. Although Corus believes that the expectations reflected in such forward-looking information are reasonable, such information involves assumptions and risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied with respect to the forward-looking information, including without limitation, factors and assumptions regarding the general market conditions and general outlook for the industry, interest rates, stability of the advertising, distribution, merchandise and subscription markets, operating and capital costs and tariffs, taxes and fees, our ability to source desirable content and our capital and operating results being consistent with our expectations. Actual results may differ materially from those expressed or implied in such information. Important factors that could cause actual results to differ materially from these expectations include, among other things: our ability to attract and retain advertising revenues; audience acceptance of our television programs and cable networks; our ability to recoup production costs, the availability of tax credits and the existence of co-production treaties; our ability to compete in any of the industries in which we do business; the opportunities (or lack thereof) that may be presented to and pursued by us; conditions in the entertainment, information and communications industries and technological developments therein; changes in laws or regulations or the interpretation or application of those laws and regulations; our ability to integrate and realize anticipated benefits from our acquisitions and to effectively manage our growth; our ability to successfully defend ourselves against litigation matters arising out of the ordinary course of business; and changes in accounting standards. Additional information about these factors and about the material assumptions underlying any forward-looking information may be found under the heading "Risks and Uncertainties" in the Management's Discussion and Analysis for the year ended August 31, 2017 and the second quarter ended February 28, 2018 and under the heading "Risk Factors" in our Annual Information Form. Corus cautions that the foregoing list of important assumptions and factors that may affect future results is not exhaustive. When relying on our forward-looking information to make decisions with respect to Corus, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this document speaks as of the date of this document. Unless otherwise required by applicable securities laws, Corus disclaims any intention or obligation to publicly update or revise any forward-looking information whether as a result of new information, events or circumstances that arise after the date thereof or otherwise.

About Corus Entertainment Inc.

Corus Entertainment Inc. (TSX: CJR.B) is a leading media and content company that creates and delivers high quality brands and content across platforms for audiences around the world. The company's portfolio of multimedia offerings encompasses 44 specialty television services, 39 radio stations, 15 conventional television stations, a global content business, digital assets, live events, children's book publishing, animation software, technology and media services. The Corus roster of premium brands include Global Television, W Network, OWN: Oprah Winfrey Network Canada, HGTV Canada, Food Network Canada, HISTORY®, Showcase, National Geographic, Q107, CKNW, Fresh Radio, Disney Channel Canada, YTV and Nickelodeon Canada. Visit Corus at www.corusent.com.

For further information, please contact:

Doug Murphy
President and Chief Executive Officer
Corus Entertainment Inc.
Doug.Murphy@corusent.com

John Gossling
Executive Vice President and Chief Financial Officer
Corus Entertainment Inc.
John.Gossling@corusent.com

Dervla Kelly
Vice President, Communications
Corus Entertainment Inc.
Dervla.Kelly@corusent.com

Heidi Kucher
Director, Investor Relations
Corus Entertainment Inc.
Heidi.Kucher@corusent.com

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited - in thousands of Canadian dollars)	As at February 28, 2018	As at August 31, 2017
ASSETS		
Current		
Cash and cash equivalents	80,416	93,701
Accounts receivable	416,726	408,443
Income taxes recoverable	—	1,388
Prepaid expenses and other assets	27,926	21,870
Total current assets	525,068	525,402
Tax credits receivable	20,848	18,172
Investments and other assets	65,841	64,559
Property, plant and equipment	239,919	260,068
Program rights	595,765	648,346
Film investments	47,124	40,728
Intangibles	2,028,921	2,045,813
Goodwill	2,387,652	2,387,652
Deferred income tax assets	82,952	77,104
	5,994,090	6,067,844
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	443,407	415,661
Current portion of long-term debt	106,375	172,500
Provisions	11,929	15,791
Income taxes payable	18,232	—
Total current liabilities	579,943	603,952
Long-term debt	1,929,126	1,919,080
Other long-term liabilities	347,283	442,349
Provisions	7,856	11,707
Deferred income tax liabilities	501,817	491,235
Total liabilities	3,366,025	3,468,323
SHAREHOLDERS' EQUITY		
Share capital	2,310,483	2,291,814
Contributed surplus	11,805	11,449
Retained earnings	113,045	114,492
Accumulated other comprehensive income	37,087	22,938
Total equity attributable to shareholders	2,472,420	2,440,693
Equity attributable to non-controlling interest	155,645	158,828
Total shareholders' equity	2,628,065	2,599,521
	5,994,090	6,067,844

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Three months ended		Six months ended	
	February 28,		February 28,	
(unaudited - in thousands of Canadian dollars except per share amounts)	2018	2017	2018	2017
Revenues	369,465	368,187	826,853	836,168
Direct cost of sales, general and administrative expenses	256,706	265,504	536,207	541,499
Depreciation and amortization	20,832	23,093	41,590	45,553
Interest expense	31,766	38,957	63,841	78,677
Business acquisition, integration and restructuring costs	2,475	915	4,083	14,080
Other expense (income), net	(3,473)	(3,937)	4,081	2,895
Income before income taxes	61,159	43,655	177,051	153,464
Income tax expense	15,446	11,673	46,331	40,779
Net income for the period	45,713	31,982	130,720	112,685
Other comprehensive income (loss), net of income taxes:				
Items that may be reclassified subsequently to income:				
Unrealized foreign currency translation adjustment	(8)	(179)	430	213
Unrealized change in fair value of cash flow hedges	14,128	2,282	13,719	13,316
	14,120	2,103	14,149	13,529
Items that will not be reclassified to income:				
Actuarial gain (loss) on employee post-employment benefits	1,871	3,981	(868)	13,065
	15,991	6,084	13,281	26,594
Comprehensive income for the period	61,704	38,066	144,001	139,279
Net income attributable to:				
Shareholders	40,042	24,881	117,715	96,027
Non-controlling interest	5,671	7,101	13,005	16,658
	45,713	31,982	130,720	112,685
Comprehensive income attributable to:				
Shareholders	56,033	30,965	130,996	122,621
Non-controlling interest	5,671	7,101	13,005	16,658
	61,704	38,066	144,001	139,279
Earnings per share attributable to shareholders:				
Basic	\$0.19	\$0.12	\$0.57	\$0.48
Diluted	\$0.19	\$0.12	\$0.57	\$0.48

CORUS ENTERTAINMENT INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total equity attributable to shareholders	Non-controlling interest	Total equity
As at August 31, 2017	2,291,814	11,449	114,492	22,938	2,440,693	158,828	2,599,521
Comprehensive income	—	—	117,715	13,281	130,996	13,005	144,001
Dividends declared	—	—	(118,294)	—	(118,294)	(16,188)	(134,482)
Issuance of shares under dividend reinvestment plan	18,584	—	—	—	18,584	—	18,584
Issuance of shares under stock option plan	85	—	—	—	85	—	85
Actuarial loss on post-retirement benefit plans	—	—	(868)	868	—	—	—
Share-based compensation expense	—	356	—	—	356	—	356
As at February 28, 2018	2,310,483	11,805	113,045	37,087	2,472,420	155,645	2,628,065

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total equity attributable to shareholders	Non-controlling interest	Total equity
As at August 31, 2016	2,168,543	10,444	142,499	(3,569)	2,317,917	158,430	2,476,347
Comprehensive income	—	—	96,027	26,594	122,621	16,658	139,279
Dividends declared	—	—	(114,142)	—	(114,142)	(18,585)	(132,727)
Issuance of shares under dividend reinvestment plan	60,303	—	—	—	60,303	—	60,303
Actuarial gain on post-retirement benefit plans	—	—	13,065	(13,065)	—	—	—
Share-based compensation expense	—	454	—	—	454	—	454
Reallocation of equity interest	—	—	4,500	—	4,500	3,000	7,500
As at February 28, 2017	2,228,846	10,898	141,949	9,960	2,391,653	159,503	2,551,156

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Six months ended	
	February 28,		February 28,	
(unaudited - in thousands of Canadian dollars)	2018	2017	2018	2017
OPERATING ACTIVITIES				
Net income for the period	45,713	31,982	130,720	112,685
Adjustments to reconcile net income to cash flow from operations:				
Amortization of program rights	125,692	126,686	259,075	254,411
Amortization of film investments	3,329	4,935	5,855	8,962
Depreciation and amortization	20,832	23,093	41,590	45,553
Deferred income taxes	267	6,650	98	7,214
Share-based compensation expense	168	231	356	454
Imputed interest	11,011	12,560	22,878	25,753
Proceeds from termination of interest rate swap	—	—	24,644	—
Payment of program rights	(122,692)	(119,263)	(238,369)	(243,362)
Net spend on film investments	(11,533)	4,322	(20,281)	(6,428)
CRTC benefit payment	(186)	(5,814)	(897)	(11,972)
Other	(3,154)	775	(2,728)	1,342
Cash flow from operations	69,447	86,157	222,941	194,612
Net change in non-cash working capital balances related to operations	17,055	15,842	(50,762)	(70,265)
Cash provided by operating activities	86,502	101,999	172,179	124,347
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(3,378)	(5,781)	(4,959)	(11,407)
Proceeds from sale of property	—	—	545	—
Proceeds from disposition of non-controlling interest	—	5,250	—	5,250
Net cash flows for intangibles, investments and other assets	(2,773)	(1,102)	(3,679)	(4,358)
Cash used in investing activities	(6,151)	(1,633)	(8,093)	(10,515)
FINANCING ACTIVITIES				
Decrease in bank loans	(28,165)	(29,292)	(54,727)	(57,472)
Deferred financing costs	—	—	(4,088)	—
Issuance of shares under stock option plan	—	—	85	—
Dividends paid	(50,319)	(26,824)	(99,367)	(52,884)
Dividends paid to non-controlling interest	(4,179)	(5,230)	(16,188)	(18,585)
Other	(742)	(254)	(3,086)	(477)
Cash used in financing activities	(83,405)	(61,600)	(177,371)	(129,418)
Net change in cash and cash equivalents during the period	(3,054)	38,766	(13,285)	(15,586)
Cash and cash equivalents, beginning of the period	83,470	17,011	93,701	71,363
Cash and cash equivalents, end of the period	80,416	55,777	80,416	55,777

CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION

(unaudited - in thousands of Canadian dollars)

Three months ended February 28, 2018

	Television	Radio	Corporate	Consolidated
Revenues	336,222	33,243	—	369,465
Direct cost of sales, general and administrative expenses (recovery)	232,576	26,360	(2,230)	256,706
Segment profit⁽¹⁾	103,646	6,883	2,230	112,759
Depreciation and amortization				20,832
Interest expense				31,766
Business acquisition, integration and restructuring costs				2,475
Other income, net				(3,473)
Income before income taxes				61,159

Three months ended February 28, 2017

	Television	Radio	Corporate	Consolidated
Revenues	335,896	32,291	—	368,187
Direct cost of sales, general and administrative expenses	234,497	25,950	5,057	265,504
Segment profit (loss)⁽¹⁾	101,399	6,341	(5,057)	102,683
Depreciation and amortization				23,093
Interest expense				38,957
Business acquisition, integration and restructuring costs				915
Other income, net				(3,937)
Income before income taxes				43,655

Six months ended February 28, 2018

	Television	Radio	Corporate	Consolidated
Revenues	751,686	75,167	—	826,853
Direct cost of sales, general and administrative expenses	479,438	54,763	2,006	536,207
Segment profit (loss)⁽¹⁾	272,248	20,404	(2,006)	290,646
Depreciation and amortization				41,590
Interest expense				63,841
Business acquisition, integration and restructuring costs				4,083
Other expense, net				4,081
Income before income taxes				177,051

⁽¹⁾ Segment profit does not have a standardized meaning prescribed by IFRS. For definitions and explanations, see discussion under the Key Performance Indicators section of the 2018 Report to Shareholders.

(unaudited - in thousands of Canadian dollars)

Six months ended February 28, 2017

	Television	Radio	Corporate	Consolidated
Revenues	761,460	74,708	—	836,168
Direct cost of sales, general and administrative expenses	475,640	55,081	10,778	541,499
Segment profit (loss)⁽¹⁾	285,820	19,627	(10,778)	294,669
Depreciation and amortization				45,553
Interest expense				78,677
Business acquisition, integration and restructuring costs				14,080
Other expense, net				2,895
Income before income taxes				153,464

⁽¹⁾ Segment profit does not have a standardized meaning prescribed by IFRS. For definitions and explanations, see discussion under the Key Performance Indicators section of the 2018 Report to Shareholders.

REVENUES BY TYPE

	Three months ended		Six months ended	
	February 28,		February 28,	
(unaudited - in thousands of Canadian dollars)	2018	2017	2018	2017
Advertising	221,663	225,947	533,874	549,351
Subscriber fees	127,008	125,553	253,263	252,017
Merchandising, distribution and other	20,794	16,687	39,716	34,800
	369,465	368,187	826,853	836,168

NON-IFRS FINANCIAL MEASURES

(unaudited - in thousands of Canadian dollars)	Three months ended		Six months ended	
		February 28,		February 28,
	2018	2017	2018	2017
Adjusted Net Income Attributable to Shareholders				
Net income attributable to shareholders	40,042	24,881	117,715	96,027
Adjustments, net of income tax:				
Business acquisition, integration and restructuring costs	1,838	696	3,050	10,376
Adjusted net income attributable to shareholders	41,880	25,577	120,765	106,403
Basic earnings per share	\$0.19	\$0.12	\$0.57	\$0.48
Adjustments, net of income tax:				
Business acquisition, integration and restructuring costs	\$0.01	\$0.01	\$0.01	\$0.05
Adjusted basic earnings per share	\$0.20	\$0.13	\$0.58	\$0.53
Free Cash Flow				
Cash provided by (used in):				
Operating activities	86,502	101,999	172,179	124,347
Investing activities	(6,151)	(1,633)	(8,093)	(10,515)
	80,351	100,366	164,086	113,832
Add back: cash used for (provided from) business combinations and strategic investments ⁽¹⁾	1,722	(4,344)	1,202	16,099
Free cash flow	82,073	96,022	165,288	129,931

⁽¹⁾ Strategic investments are comprised of investments in venture funds and associated companies.